

Capitalism and imperialism in South Africa

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CAPITALISM AND IMPERIALISM IN SOUTH AFRICA.*

The full significance of this evil business in South Africa is only understood when it is recognized as a most dramatic instance of the play of modern forces which are world-wide in their scope and revolutionary in their operations. Those who see one set of problems in Egypt, another in China, a third in South America, a fourth in South Africa, or trace their connection merely through the old political relations between nations, will be subjected to a rough awakening as their calculations, based on this old Separatist view, are everywhere upset. Without seeking to ignore or to disparage the special factors, physical, economic, and political, which rightly assign a certain particularity to each case, I would insist upon the supreme importance of recognizing the dominance everywhere exercised by the new confederacy and interplay of two sets of forces, conveniently designated by the titles International Capitalism and Imperialism. Vague as these titles are, they will serve as beginnings of our diagnosis.

The growing tendency of members of modern civilized communities to stake large portions of their property in foreign lands runs counter to all past traditions of nationalism, and sets up an antagonism between the political and the economic structure of the modern world. So long as the intercourse between nations was wholly or chiefly confined to trade or

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exchange of commodities, nationalism could still express the economic as well as the political status of the citizen. But the large establishment by members and classes belonging to one nation of permanent investments of capital in another country is a patent breach of the old order, destroying the very roots of the old national sentiments. For, where the treasure is, there is the heart also. There are two policies open to a nation whose citizens place their economic interests outside the political limits of their country. One is to maintain a rigorous distinction between the political status and the economic interests of these citizens, to tell them plainly that all foreign investments made for the sake of private profit must be at the risk of the investor, and that under no circumstances will the State interfere to save the individual from dangers which he must be presumed to have discounted in the very terms of his investment. The other policy seeks constantly to achieve a new harmony of the political and economic interests by a continual expansion of the political area, so as to cover the new areas of economic interest established by its individual members. Neither of these courses has been clearly adopted or consistently pursued by any great nation; in fact, the refusal to accept and apply either principle lies at the root of the opportunism of all foreign politics. The former policy, indeed, which absolutely refused to use the power of the State to assist individual members in those business enterprises for private profit which it had never sanctioned, would be a sound logical position for any nation. But it has never been adopted. In most cases, investments of British capital

foreign parts are accompanied by a certain investment of British lives, either of traders or of laborers, and, where a specifically British area of investment has been formed, a population of British subjects is often placed upon it. This involves a real or specious identity of interests between British capital and British lives, and the owners of the former have often secured the protection of the British State by screening themselves behind the more consistently admitted rights of British subjects to personal protection against dangers and grievances incurred in foreign countries. The limits of these rights have never been determined; but the right of missionaries, traders, explorers, and other private persons, to run any risks they like and then to call upon the British government to save or avenge their persons has been tacitly adopted as a general practice.

The policy which definitely aims at expanding the British empire so as to cover all new areas of British economic interest cannot, of course, be consistently pursued. For the strongest forms of international capitalism consist of investments in powerful civilized States with which no interference upon such grounds is possible. The property and investments held by British subjects in the United States, in France, or in Germany, though they are economic forces making towards a true informal political internationalism, cannot be regarded as making for political fusion of the countries.

It is in the case of small, decadent, or new countries that alien investments exercise a dominant power in foreign policy. Turkey, Egypt, China, the South American States, and, lastly,

South Africa are prominent instances of this domination. Among these South Africa is by far the clearest and most convincing example. The phenomenally rapid rise, the peculiar nature, and the narrowly-restricted area of capitalist-industry in South Africa account for this.

Gold and diamonds, two commodities of small intrinsic utility and of highly-concentrated market value, "keep" South Africa. The diamond mines of Kimberley, rapidly developing from 1869 towards a now fixed output of about £4,000,000 per annum, and the gold mines of Witwatersrand, discovered only thirteen years ago, and already yielding at the rate of about £20,000,000 per annum, occupy a place of supreme economic importance in a country feebly developed in agriculture and in other industries, and sparsely peopled with some three-quarters of a million white inhabitants. If the gold and diamonds had been widely dispersed in their area, and had been workable by the old order of individual diggings or small laboring enterprise, the different structure of such industry would have had entirely different political implications. But, after a short period of open competition and small individual digging, the diamond mining crystallized into the rigid and well-nigh absolute monopoly of the De Beers Company, which has enabled Messrs. Rhodes, Beit, Barnato, Rothschild, and a small handful of fellow-capitalists to wield an absolute control both of the industry and the market, regulating the demand for and the price of labor, the quantity and the price of diamonds, in accordance with their calculations of a maximum profit for the company.

More important still, this same group of men, with a small number of confederates, chiefly foreign Jews, representing the most highly organized form of international finance yet attained, controls the entire gold industry of the Transvaal. The names of the chief directors of the leading companies—Wernher, Beit, Eckstein, Rhodes, Rudd, Neumann, Rothschild, Albu, Goetz, Rouliot, Farrar, Barnato, Robinson—fairly indicates the distinctively international character of this financial power, as well as the closely-concentrated form which it has taken. During the thirteen years that have elapsed since the definite discovery of the Rand gold fields, the concentrative forces distinctive of modern capitalism have been operating rapidly; the number of independent firms has been diminishing; and, even when the independent structure of a mining business is still preserved, the cross-ownership of capital by members of other leading firms reduces the real economic independence. Moreover, since the year 1891, which may be said to have determined the future development of gold mining in the Transvaal, by the discovery of the profitable future of deep-level mining, the concentration of control has been more rapid and more certain. The Chamber of Mines, whose active life may be said to have begun in 1891, has been a chief instrument by which the "Eckstein Group," the virtual control of which rests with the men who are owners of De Beers, has fastened its supremacy upon the industry. For some time Mr. J. B. Robinson, the only strong independent figure, maintained some sort of real opposition, aided by few French and German companies; but during the last two

years this opposition has broken down, and the dominance of Eckstein may be considered to have been secured. In the near future this power must increase, because Eckstein's has secured a well-nigh complete monopoly of the working of those deeper levels upon which the future productivity and value of the Rand depends.

Whether the net economy of working so large and complex an industry really favors an absolute amalgamation, like that of De Beers, is highly disputable. There may also be financial reasons against such a course. It must be borne in mind that, in dealing with international capitalism, the forces and the interests of the investor and of the financier are by no means always identical. When we come presently to trace the political influences exerted by capitalism, this becomes clearer. At present it suffices to observe that, even were complete structural amalgamation of the gold mines otherwise advisable, such separation, real or apparent, as favored the manipulation of and speculation in stocks might counteract the merely industrial economies—*i.e.*, the shareholder might be sacrificed to the speculator. But, however this may be, through the growing power of the Chamber of Mines or by direct coercion of weaker companies, it seems tolerably certain that the "Eckstein" influence will control the gold-mining industry of the Transvaal. The best evidence of recent expert engineers—for example, the important testimony of Mr. Curle in his work "*The Gold Mines of the World*"—indicates that there are no other gold mines in the Transvaal, or in South Africa, except possibly a few in Rhodesia,

already under the same capitalist control, which are likely to disturb the supremacy of the Rand. In all human probability, for some decades the persons who control the Rand gold mines hold the economic future of South Africa in the hollow of their hands.

Not only the rapidity and the narrow local and personal limitation of this economic dominion, but certain personal characteristics of those who wield it, deserve attention. This little group of capitalists are the real "economic men" about whom text-books of political economy used to prate, but who have been generally relegated to mythology. Most of them are Jews, for the Jews are *par excellence* the international financiers, and, though English-speaking, most of them are of continental origin. Their interest in the Transvaal has been purely economic ; they went there for money, and those who came early and made most have commonly withdrawn their persons, leaving their economic fangs in the carcass of their prey.

They fastened on the Rand, as they fastened on the Diamond Fields of Griqualand West, and as they are prepared to fasten upon any other spot upon the globe, in order to exploit it for the attainment of large profits and quick returns.

Primarily they are financial speculators, taking their gains not out of the genuine fruits of industry, even the industry of others, but out of the construction, promotion, and financial manipulation of companies in which a large number of smaller men are induced to put money, and out of dealing in shares of these companies. The Rand is peculiar in possessing under-

neath this speculative surface a sound, substantial property with a tolerably certain profitable future. The early recognition of this fact has induced this group of financial speculators to secure and retain hold of a preponderating share of this genuinely valuable property, freely selling out and buying in when markets are on the move, but never really giving up their hold upon the sources of wealth.

It is important to distinguish the interest these "capitalists" have in their holdings of such sound investments as East Rands and Ferreira Deep, which may be described as an industrial interest seeking its reward from the profitable working of these mines, and the purely financial interest they assume in the more speculative properties which they use for stock-exchange purposes. The difference is well illustrated by the double stake which those "capitalists" have in the present war. So far as the issue seems likely to establish security and order, and to lead to a reduction of working expenses, it profits them in their capacity of mine-owners. But, independently of this, the slump last summer, followed by a quick recovery when imperial coercion was actually secured and by the prospective "boom" when a so-called "settlement" is reached, has been and will be a separate great source of gain to these men in their capacity of stock-manipulators.

This small confederacy of international financiers, containing in their ranks a few Englishmen like Rhodes and Rudd, but chiefly foreign Jews, are the economic rulers of South Africa, for they control the mines which are the really val-

able asset of the country. The *causa causans* of the present trouble in South Africa is the growing need of these economic rulers to become political rulers. These men were not by choice politicians; still less were they British Imperialists: it is only the force of extreme circumstances which drives men like Rhodes and Beit to assume their present *role*. The aversion of the true "business man" from politics is almost universal; where political barriers, tariffs, or restrictive legislation block the path of profit-making, or where State aid is needed to push business or secure profitable jobs, he generally prefers to exert influence by the gentle art of bribery, rather than himself to enter the political arena. It is only when the personal exercise of legislative or administrative powers is essential to industrial prosperity that the economic man becomes politician, shedding some of his primitive cosmopolitanism and becoming loyalist and patriot.

The career of Mr. Rhodes is most instructive on this matter. During his early years in South Africa no one suspected him of harboring those magnificent dreams of British empire which he and his friends have expounded in these later years. His entrance into political life closely coincided with the requirements of the diamond industry of Griqualand West. When that district was annexed to Cape Colony in 1880, it was very necessary that some tactful man, not too scrupulous, who well understood the needs of the diamond industry, should represent Barclay West, and hold the fortress of a monopoly worth a quarter of the capitalized value of the colony. When the country passed into colonial hands, there were men so

audacious as to conceive the design of securing these mineral values at a fair valuation for the benefit of the colony; business men must needs enter politics to defeat such nefarious projects.

From time to time proposals have been made to tax diamonds; such proposals must be fought and vanquished.

When the great amalgamation scheme of 1885 was executed, and the compound system which ruined the town of Kimberley was established, loud remonstrances were made by statesmen who well understood the dangerous power of this monopoly: the right man in the right place was required to assuage the public feeling thus aroused, and to prevent any awkward interference by the government. Can any one experienced in colonial life doubt that the absolute immunity from taxation which the diamond industry enjoys is due to political jobbery and intrigue? Not only is the industry untaxed; it is not even rated for the benefit of the town of Kimberley.

Nor is that enough. The most vital principles of personal liberty are violated by the monstrous illicit diamond buying law, according to which any person in the colony may be arrested for being found in possession of an uncut diamond, and is assumed to be guilty of wrongful possession unless he can bring proof to the contrary. The "Compound" system in the Kimberley and De Beers mines, according to which a so-called voluntary labor contract is converted into a term of rigorous imprisonment with hard labor, is not merely a gross violation of the spirit of personal freedom, but is a specific establishment of that evil principle of "truck" which all pro-

gressive legislation has denounced. The large employment of convict labor in the diamond mines is another instance of the convenient alliance between politics and industrial capitalism. Is any one bold enough to suggest that the position of special privilege and exemption enjoyed by the largest and most profitable industry of Cape Colony has been won and maintained by any other means than "by converting public trusts to very private uses"?

I am far from believing that Mr. Rhodes has been moved exclusively or chiefly by purely financial considerations in his politics; it is quite likely that some large, indefinite desire to express his personality in what is termed "empire-building" may have fused with, and at times overpowered, the narrower financial aims. But two facts stand out clearly from his career,—first, that he and his confederates have systematically used politics to assist their business projects; second, that in politics they have adopted "Imperialism" as a last resort. The first public post occupied by Mr. Rhodes was that of deputy commissioner in Bechuanaland in 1884-5, at the time when bodies of Transvaal Boers, presumably with the connivance of the Transvaal government, had entered that country and established the republics of Stellaland and Goschen. The possession of Bechuanaland by the Transvaal would have closed the road to the north against British Imperialism; this was clearly understood by the rival claimants, and, when remonstrances had failed, Sir Charles Warren was sent up with an imperial force to assert the imperial interest and to establish the imperial control. What part did Mr. Rhodes play at this critical

juncture? He threw all the weight of his influence in favor of the Transvaal and against the imperial authority.

The following extract from a speech delivered in the Cape assembly, and reported in the "Cape Argus," July 16, 1884, deserves attention:

Mr. Rhodes said :—" He proposed (last year) to the house to enter into negotiations in connection with this territory, and he warned the house that he feared the imperial factor would be introduced into the question before long, and with the chance of a recurrence of the unfortunate affairs which he had seen in this country. . . . The house and the country was at this moment plunged into what he foresaw—that, if we did not move in the question of Bechuanaland in connection with the Transvaal government, the imperial government would interfere, and possibly the interference of the imperial government might lead to a repetition of those unfortunate occurrences which they had had in connection with the Transvaal. . . . They were running the risk at any moment of a collision with the Transvaal. It might be said that he was one of imperial instincts, but he could ask those members of the house who were present last year to support him, for he said then that we must not have the imperial factor in Bechuanaland. He implored the house then to pass a resolution for acting in conjunction with the Transvaal, and he said, if they did not pass it, they would regret it. He said once more to them they must act. . . . They should at once negotiate with the imperial government and with the people of the Transvaal, and, first and foremost, they should remove the imperial factor from the situation. He believed that, if they did not, there was on the border of the Transvaal great danger for South Africa."

The comment made by Sir Charles Warren upon Mr. Rhodes's conduct runs as follows:

There can be no doubt, to my mind, that Mr. Rhodes's action, supporting and upholding the Transvaal Party, tended to a considerable degree to prevent peace being established in Stellaland. I consider that the difficulties which occurred in Stellaland since August last were entirely of his own causing, and that, had he not come into the country, Stellaland might have been in a quiet state when I arrived.*

There is no reason to suppose that Mr. Rhodes was really

* Blue Book 4432, p. 122.

anxious to increase the territorial power of the Transvaal, but that he feared lest the establishment of a crown colony or a protectorate should interfere with his plan of a chartered company, under which he hoped to include Bechuanaland along with the illimitable territory of the north. As it turned out, he over-estimated both the ambitions and the powers of the imperial factor, for ten years later British Bechuanaland was incorporated with the colony, and the imperial control of the protectorate was not wide awake enough to prevent Mr. Rhodes obtaining the strip of land needed for a jumping-off place in the Jameson raid. The convenient use of his political power for the furtherance upon advantageous terms of colonial railway enterprise to Kimberley and Rhodesia; the gross jobbery permitted to colleagues during his ministry, which occasioned the resignation of Messrs. Rose-Innes, Merriman, and Sauer; the purchase of Irish support in the house of commons by a present of £10,000 to the party funds, when the charter, conferring what were virtually sovereign rights over the entire hinterland of South Africa, was sought; the extraordinary combination of capacities which for a long period vested in one person the premiership of Cape Colony, the managing directorship both of De Beers and of the Consolidated Gold-fields, and the similar control of the Chartered Company, a combination which culminated in the Raid,—this continuous testimony to the deliberate use of politics to further business ends is the common property of all well-informed persons.

Where the State plays so large a part in the economic development of a country as has been the case in South Africa,

where important concessions of lands and railways and laws affecting the supply of labor are constantly to the fore, it is natural enough that industrial and financial magnates should handle politics. Mr. Rhodes has never been an "Imperialist" in policy; he has steadily fought each real extension of "imperial control," and, by skilful manipulation of imperial powers and personnel, has succeeded up to the present time in using the money and the arms of Great Britain for the protection and furtherance of the business schemes upon which he and his fellow-directors have embarked. I do not hesitate to say that even now neither effective imperial control nor effective popular representative government exists in Rhodesia, though elaborate provision is made for both. When business men enter politics in a country like South Africa they get what they want.

It is admitted that Mr. Rhodes did not play the part of a genuine "Imperialist" when in 1895 he planned a treacherous attack upon the Transvaal, abusing his position as a minister of the crown and wilfully deceiving the imperial authorities. Failing by the awkwardness of his instrument, he announced his intention to proceed henceforth by "constitutional means." This expression was understood to signify that organized pressure would be exercised through the high commissioner and colonial secretary upon the imperial power of Great Britain. Knowing the nature of the influences Mr. Rhodes and his friends could bring to bear, the South African Republic smelt the battle from afar, and made those warlike preparations falsely represented as indicating an aggressive policy.

Does any single soul really believe that Messrs. Beit, Eckstein, Rouliot, Neumann, and the rest are Imperialists, or have any other aim than that of using the imperial power to help them in their gold mining business? There are most urgent reasons why these gentlemen should seek the political control of the Transvaal. Let Mr. Fitzpatrick, late secretary of the Reform Committee, state what they were in 1896:

If you want the real grievances, they are : The Netherlands Railway Concession, the dynamite monopoly, the liquor traffic and native labor, which together constitute an unwarrantable burden of indirect taxation on the industry of two and a half million sterling annually.

Add to these one grievance, here omitted, that of the "be-waar-plaatzen," or the question of the terms upon which the mine-owners shall obtain the mining rights on properties where they own at present only surface rights, and the whole matter lies in a nutshell. Mr. Fitzpatrick in this document, like Mr. Lionel Phillips, expressly excludes any interest in politics for any other purpose than the advance of profits in the mining industry. The whole matter is, indeed, more tersely summarized in the recently-published "Goldfields" annual report, in which reduction of working expenses and consequent increase of profits are contemplated as the result of the war.

These considerations make it evident that a small group of financial capitalists had large and definite advantages to gain by upsetting the government of the Transvaal. It may be that other classes also stood to gain,—the large, diffused investing public of Europe, the trading professional and laboring white population of the Rand. But the gains of these classes

were very precarious; there is little to indicate that the general public of small investors will participate at all in the improved values of mining properties or in the speculative "boom" which will follow the "settlement." The shrewder tradesmen of Johannesburg and the great majority of miners are well aware that Eckstein and his fellows intend, by new "economies" in the working of the mines, the introduction of the Kimberley compound system or other methods of dispensing with local middlemen, and by the more effective control of the labor market, to keep to themselves, as far as possible, the economic gains of the new order. This reasonable suspicion explains why no large spontaneous enthusiastic agitation for coercion of the Transvaal government arose among the rank and file of the Outlanders. Such real "grievances" as the latter felt were far from intolerable; there was no real danger to life, liberty, or property, and the grosser abuses of taxation, finance, and official maladministration did not fall with any considerable weight on them. The vast majority of all classes of the Outlander population lived a practically freer, a more enjoyable, and a more prosperous life than they could have lived in any other place in the world. To any educated, "high-toned" visitor no doubt the civilization of Johannesburg seemed crude, flash, materialistic, and destitute of high ideals, but it was well adapted to the character and interests of the inhabitants. Almost every Johannesburger I met was enthusiastic in his admiration for the place; very few of them pretended to any personal grievances, though most of them within the last few years devel-

oped a fanatical desire that the Boer, with whom they had virtually no personal contact, should be taught his proper place, and should recognize the superiority of the rich commercial townsman.

But, granting that the real grievances were almost wholly economic and meant reduced profits of a few mining magnates, how far is it possible to trace the recent catastrophe in South Africa to the conscious policy of these men? In the mind of most English readers another accepted hypothesis blocks the way,—the theory of a definite conspiracy aiming at the establishment of Dutch dominion throughout South Africa and imposing a deliberate aggressive policy upon the republics. This is not the place to discuss the folly of attributing so fatuous a project to statesmen, many of whom, by education and professed sympathies, were closely attached to Great Britain, and who well knew both her power and her determination to defend her supremacy in South Africa. It is not of course impossible, though highly improbable, to represent Transvaal and Free State leaders as indulging in this wild dream and framing their national policy in accordance with such designs, hoping to consolidate for their attainment the united energies of the whole Dutch Africander population of South Africa. I do not question the *prima facie* speciousness of this hypothesis; it correlates and seems to explain certain facts in the recent political conduct of the Transvaal. But I meet it by two arguments: first, that there is no direct substantial evidence in support of this hypothesis; secondly, that another hypothesis both gives a far better explanation of

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a larger number of facts and is sustained by irrefragible direct evidence.

I would challenge the upholders of the "Dutch Conspiracy" hypothesis to produce any evidence from the speech or conduct of the leading statesmen of the republics, or of the admitted leaders of the Africander Bond, to prove the existence of any design to establish an independent Dutch republic throughout South Africa. I do not assert that the idea may not have entered the mind of individual politicians, or that it may not have figured occasionally in the wilder rhetoric of political platforms. But no evidence exists that any responsible statesmen have ever seriously adopted this idea and moulded their policy upon it. The only so-called "evidence" adduced in support of this hypothesis is a certain set of facts which it professes to explain, such as the alleged overtures to Germany and other European powers, the expenditure of a large secret service fund, and, in particular, the admitted large and growing expenditure of money upon forts, arms, and ammunition. Such facts, it is maintained, are testimony to an aggressive design against the power of Great Britain. And this testimony would doubtless be valid, if there existed any independent evidence of this aggressive design. But no such evidence is forthcoming, and the hypothesis stands in the air—an unsubstantial surmise.

Now turn to our hypothesis of capitalist aggression, which, reversing the commonly-accepted order of causation, explains the political and military preparations of the Transvaal as a distinctively defensive policy. This hypothesis is a *vera*

causa, it rests upon a certain basis of admitted fact, and it affords a fuller and more consistent explanation of the actual order of events. Whatever be the exact estimate set upon the generous or prudential motives of the act of retrocession in 1881, no one would seriously maintain that Great Britain would have loosed her hold had the resources of Witwatersrand then been known. When the discoveries of gold were made in 1886, the Transvaal government, having before their minds the fraudulent annexation of the diamond fields, that "most discreditable incident in British colonial history," as Mr. Froude described it, and the still more recent annexation of the neighboring territories of Bechuanaland, began to fear for the "independence" of their country, and to make some defensive preparation.

Deprived, by the terms of the London Convention, of the right, exercised not only by independent States but by British colonies, of regulating and restricting foreign immigration, they watched with growing alarm the motley crowd of gold seekers who settled in ever-increasing numbers on the Rand. The race, character, and conduct of this new population were utterly repellent to Boer nature and traditions. The new comers made no pretence of seeking a permanent home or of identifying themselves with the general interests of the body of citizens. They made no concealment of their aims; it was gold they sought; and, when they began to ask for political rights, it was with the evident and sole intention of using these rights for private gain, and not for public good. Knowing that the political dominance of new citizens actuated by

these motives meant the destruction of the political and social order of their State, the Transvaal government sought to stem the tide by obstructing the development of the gold industry which they could not crush, by erecting barriers to the attainment of the franchise, and by making some use of the power of taxation to prepare themselves against the armed attack which they had every reason to expect would some day be made upon them.

Before 1890 the restrictions set upon an unusually lax franchise were most moderate, and prohibited no genuine settler from gaining the political rights which he might seek.

Neither was the public expenditure on armaments excessive for a people constantly exposed to border warfare, which required all its male inhabitants to be well equipped with arms. Not until the beginning of the present decade did the Transvaal adopt a strenuous policy of franchise restriction and armed preparation. Was this an offensive or a defensive policy? Let facts reply. In 1890 the new census showed that the tide of immigration ran even faster than their fears; in 1891 the discovery of the extent and richness of the "deep levels," securing a long, secure, and profitable future for the Rand gold-mines, and placing that future under the definite control of a single group of men, increased the alarm of the Transvaal government. They foresaw a further increase in the rate of immigration and a stronger and more enduring motive for the "capitalists" to seek political control. The powerful Conservative party in the State, led by Krüger, set itself stubbornly to defend the fortress of independence by

new onerous restrictions on the franchise and by increased expenditure on arms. This party and this policy, though powerful, was not, however, at first dominant. There was a strong, genuine, Liberal movement among the burghers, which opposed the restrictive franchise policy and advocated an enlightened attitude towards the new-comers. In the presidential election of 1893 Joubert, the leader of this party, was defeated only by a small majority; all the men of education were upon this side, the future was with them, and there was every prospect of their breaking down, by natural processes of education, the blind, fanatical obstruction of the old Boer party.

This promise of internal reform was suddenly blighted by the Outlander policy, which culminated in the Jameson raid. This event was not quite the "bolt from the blue" which it is sometimes represented to be. Ever since the establishment of the Transvaal Republican Union at Barberton in 1887, revolutionary forces had been gathering among the Outlanders. The formation of the Chamber of Mines in 1889, and the National Union three years later, gave definiteness to the political ambitions of the "capitalists." However "constitutional" the immediate attitude of the mining capitalists might be, the unscrupulous corruption they adopted to gain their ends, and the knowledge that complete attainment of these ends meant a practical subjection of the political machinery to the requirements of the mines, were calculated to increase rather than allay alarm. At the close of 1894, a year before the raid, the language of the active mining capi-

talists became bolder, and assumed a distinctly minatory tone in their negotiations with the government. It is in this year that we first trace a notable increase in the "special expenditure" of the government, doubtless attributable to a growing reasonable feeling of alarm. Not, however, until 1896 do we find that large, constantly-growing increase of expenditure upon war preparations which is falsely attributed to the "aggressive" policy of the Transvaal. There had no doubt been a large rise in military expenditure ever since 1885, but this is explained by the dictates of reasonable caution on the one hand and by the increase of State resources on the other. Every department of expenditure had increased with the increase of the national income; the growth of expenditure on hospitals, education, police, and other peaceable services, is quite as noticeable as the growth of "special expenditure" and "war department expenses." Prior to 1895 there is no evidence whatever on which to convict the Transvaal government of an "aggressive policy." Her fears of the Outlander we may well consider to have been exaggerated, her obstructive policy unwise, her armed preparations needless and liable to be misinterpreted. But, keeping in mind alike the ignorance, the prejudices, and the past experience of the Boers, we cannot refuse to consider that their policy was undertaken for purposes of defence.

When the Jameson raid took place, those fears were justified, and the effect upon the enlightened progressive party in the State was most disastrous. It was now idle for any burgher to preach liberal concessions, or to advocate drastic

internal reforms. This raid, condemned only for its failure by the vast majority of the British in South Africa, virtually condoned by the British government, was a terrible setback to the cause of peaceful reform within the Transvaal. Was it unnatural that the Boers should fear lest this semi-official attack upon their independence, organized by a combination of mining capitalists and British politicians, including, as they commonly believe, the connivance of the colonial secretary himself, should be followed by subsequent better organized and more formidable attempts? All the factors of danger still remained, more powerful and exasperated by one failure. Ever since the raid, the agitators of Johannesburg and their press have made no concealment of their intention to gain their end by constitutional or unconstitutional means. The provocative tone of the communications of Sir A. Milner and Mr. Chamberlain, whether justified or not by actual events, was interpreted as the prelude to a convenient quarrel, which was to attain the object which the raid had failed to win. I do not defend the discretion of the Transvaal policy or the correctness of their interpretation of British diplomacy; I merely insist that the attitude adopted by them was taken up as a defensive, and not as an offensive, policy. They saw since 1895 the same men who had planned the raid, animated by the same motives and possessing even greater financial and political resources. They watched each step in the political game; they saw appointed to the post of high commissioner a man of strong "Imperialistic" proclivities, who fell quickly under the control of politicians, financiers, and journalists,

whom they knew to be their enemies. They saw the concentration of economic power in the Chamber of Mines: the men who held this power they saw financing and otherwise supporting the South African League, a body expressly devoted to the establishment of the "supremacy of Great Britain in South Africa." More important still, they saw these men buying, not for commercial but for propagandist purposes, the most important organs of the press in the colony, and establishing at great expense new organs of revolutionary agitation in Johannesburg; they saw public opinion throughout South Africa poisoned by the mendacity of this unscrupulous press, visibly operated in collusion so as to arouse public passion and to drive the British imperial policy towards a catastrophe. Seeing all this, and knowing, on the one hand, the power, the motives, and the methods of Mr. Rhodes and his fellow-capitalists, on the other, the personal animus, the ambition, and the remarkable energy of Mr. Chamberlain, was it unnatural that the Transvaal government should contemplate as a certainty some early attack upon the independence of their country, and should reject suggestions of a policy of liberal concessions as a mere postponement of the inevitable attack?

This was their fatalist interpretation of coming events; they knew the character and objects of the men engineering the assault, that nothing short of the complete political and economic control of the country would satisfy them, and they determined to make such preparations as would enable them to sell their liberties dearly. Such is the hypothesis which gives the best and fullest explanation of the facts.

This analysis of the case of Capitalism using Imperialism is of necessity imperfect. No play of historic forces is so simple as this has been represented to be. I have abstracted and assigned dramatic prominence to the self-seeking motives and energy of financial capitalists. I have done so because I believe that in this, and in other cases of aggressive Imperialism, this factor, though it never acts alone, is the most powerful guiding force, co-operating with and moulding for its own purpose other weaker forces with purer but less definite aims. Just as the ambition of the Rand capitalists finds a certain genuine movement of political reform operated by middle-class enthusiasts and uses it, so it coalesces with and "engineers" the medley of aims and feelings to which the term Imperialism is commonly applied. Though no exact definition of the nature and objects of Imperialism is possible, it contains certain clearly distinguishable threads of thought and feeling. Among these certain genuinely social and humane motives stand prominent,—the desire to promote the causes of civilization and Christianity, to improve the economic and spiritual condition of lower races, to crush slavery, and to bring all parts of the habitable world into closer material and moral union. These motives are real, and enter into Imperialism; they are its redeeming factors; but they are not its most powerful directing forces. So long as we regard Imperialism as a broad, general principle, these higher and better ideas and feelings take front rank; but, when we descend from principle to practice, it is quite different. If we turn to our present concrete instance, and ask

what is the real Imperialism which goes forth to aid and abet the Capitalism which we have analyzed, we shall discover to our chagrin that this Imperialism is in large measure resolvable into capitalist or profit-seeking influences. The driving forces of aggressive Imperialism are the organized influences of certain professional and commercial classes which have certain definite economic advantages to gain by assuming this pseudo-patriotic cloak. The most potent of all these influences, the power behind the throne in every modern civilized country, is the financier, the home representative of that very class whose operations "on the spot" I have analyzed above. The power of this class, exerted directly upon politicians, or indirectly through the press upon public opinion, is perhaps the most serious problem in public life to-day. The hammering of Krüger at the stock exchange is a concise and most luminous revelation of this central truth. But this nucleus of economic force in "Imperialism" gathers around it certain other allied economic interests.

The powerfully-organized iron and shipbuilding trades, with many related industries, are direct and large gainers by public expenditure upon armaments which this sort of Imperialism necessitates; most of the large export trades are won over by fallacious appeals to the trade which "follows the flag." The "Services" offer the cleanest and most natural support to an aggressive foreign policy; expansion of the empire appeals powerfully to the aristocracy and the professional classes by offering new and ever-growing fields for the honorable and profitable employment of their sons. The general body of

the investing public is easily persuaded to use the resources of the State in order to safeguard and appreciate their private investments in foreign lands.

These strong definite economic interests are the principal propellers of aggressive Imperialism, consciously or instructively using, in order to conceal their selfish dominance, the generous but often mistaken impulses of humanitarian sentiment, and relying in the last resort upon one powerful secret ally which ever lurks in the recesses of the national character. This ally is that race-lust of dominance, that false or inverted patriotism which measures the glory of its country by another's shame, and whose essential immorality is summed up in the doctrine that British paramountcy is a "right." It is to this blind and brutal lust that our financiers made their final and successful appeal, when they instructed their press and their political tools to so falsify the wholesome Afri-cander sentiment as to make it appear a Dutch challenge to British ascendancy throughout South Africa. This British Imperial passion, once roused upon both continents, responded with eager frenzy to the mandates of the masters who had invoked it and who seek to employ it for their gain. Mr. Chamberlain, the faithful representative of this Imperialism, possibly imagines himself a free agent, and possibly designs to use for purposes of personal and imperial aggrandizement the economic forces of South African finance. But the generals of finance well know he is their instrument, and not they his; they are the men upon the spot who know what they want and mean to get it. The apparent spontaneity of Imperialism

is a mere illusion; its forces obey the stimulus and the direction of financial masters.

Those who reject this analysis, with the stress it lays upon distinctively economic initiative, because it appears crude in its simplicity, do wrong. The apparent complexity of such an issue is only superficial, for the most part fabricated and serving as a screen for the play of a few simple, primitive, selfish forces. Times change, men do not greatly change. The memorable saying of Sir Thomas More is still applicable in our day: "Everywhere do I perceive a certain conspiracy of rich men seeking their private advantage under the name and pretext of the Commonweal."

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